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ARIZONA CORPORATION COMMISSION

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2002 SEP 13 A 11:06

September 13, 2002

AZ CORP COMMISSION
DOCUMENT CONTROL

Mr. Ralph J. Kennedy
Vice President and Treasurer
Arizona Water Company
3805 North Black Canyon Highway
Phoenix, Arizona 85018-6860

Arizona Corporation Commission

DOCKETED

SEP 13 2002

DOCKETED BY	<i>CH</i>
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RE: ARIZONA WATER COMPANY, INC. – APPLICATION FOR A RATE INCREASE,
DOCKET NO. W-01445A-02-0619

LETTER OF DEFICIENCY

Dear Mr. Kennedy:

In reference to your rate application received on August 15, 2002, this letter is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.

Staff has found several deficiencies with your application, which are listed on a separate attachment labeled "Deficiency Exhibit". The 30-day sufficiency determination period will begin anew when the Company corrects the deficiencies and Docket Control receives an original and fifteen copies of the corrected pages.

You have 15 calendar days, or until September 28, 2002, to correct the deficiencies, or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and fifteen copies of an updated application at a later date.

ARIZONA WATER COMPANY, INC.
EASTERN DIVISION
DOCKET NO. W-01445A-02-0619
TEST YEAR ENDED DECEMBER 31, 2001

DEFICIENCY EXHIBIT

1. Schedule E-9. Please provide audited financial statements, as required.
2. Schedule F-2. Please provide Projected Changes in Financial Position - Present and Proposed Rates, as required.
3. Schedule H-5. Please provide Bill Count data showing billing activity by block for each rate schedule, as required. Staff has attached a copy of the R14-2-103, Schedule H-5 format.

Rule R14-2-103.B.5 states: "The Commission may request that supplementary information in addition to that specifically required in subsection (B)(1) and (2) of this General Order be submitted by a utility either prior to or after a filing."

Staff requests the following information be submitted prior to the finding of sufficiency and may be submitted with the Company's deficiency corrections.

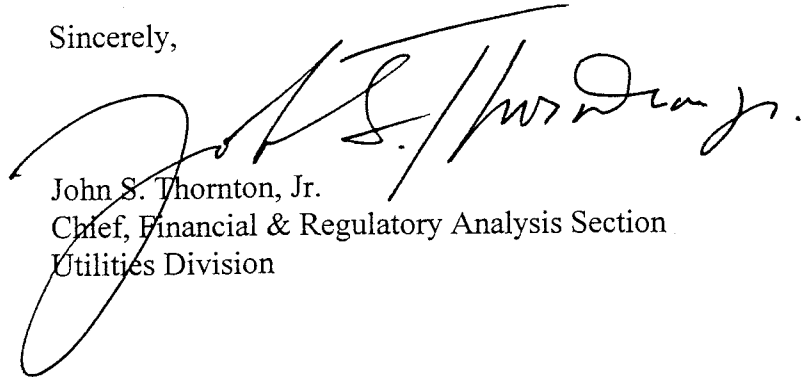
1. Please provide the amount of water sold and the amount of water pumped during the last 12 months. (The 2002 summer peaks should be included.) Please note if fire hydrants or fire flow is provided. Inter connections with other private water systems or cities, and the capacity of those interconnections should be noted. This water use data should be specific to each of the eight water systems in this rate application. The required format for your response is attached.
2. Please provide an inventory of the major plant in service. The inventory should be specific to each of the eight water systems in this rate application. Major plant in service includes wells, storage tanks, booster pumps, pressure tanks, distribution mains, and meters. A suggested format for your response is attached.
3. Please provide a copy of the most recent DEQ Monitoring Assistance Program invoice for each of the participating water systems.

September 13, 2002

Page 2

The Staff person assigned to your application is Ronald E. Ludders. He can be reached at (602) 542-0857, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "John S. Thornton, Jr.", with a large, stylized flourish at the end.

John S. Thornton, Jr.
Chief, Financial & Regulatory Analysis Section
Utilities Division

JST:REL:rdp

Enclosure

CC: Docket Control Center (fifteen copies)
Robert Kennedy, Consumer Services
Delbert Smith, Engineering
Lyn Farmer, Hearing Division

ARIZONA CORPORATION COMMISSION
REGULATION R14-2-103
APPENDIX
ILLUSTRATIVE SCHEDULE FORMAT

Schedule: H-5

Title: Bill Count

Explanation:

Schedule(s) showing billing activity by block for each rate schedule.

Required For:

All Utilities	<input checked="" type="checkbox"/>	Special Reqmt.	<input type="checkbox"/>
Class A	<input type="checkbox"/>		
Class B	<input type="checkbox"/>		
Class C	<input type="checkbox"/>		
Class D	<input type="checkbox"/>		

Rate Schedule: _____

Description: _____

	Number of				
	Bills by	Consumption	<u>Cumulative Bills</u>	<u>Cumulative Consumption</u>	
Block	Block	<u>Bv Blocks</u>	<u>No.</u> <u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>

Average Number of Customers _____

Average Consumption _____

Median Consumption _____

Supporting Schedules:

Recap Schedules:

Historical Note

Former Section R14-2-103 renumbered as Section R14-2-101, former Section R14-2-128 renumbered as Section R14-2-103 without change effective March 2, 1982 (Supp. 82-2). Amended subsection (B) effective June 18, 1987 (Supp. 87-2). Amended effective August 31, 1992 (Supp. 92-3).

Arizona Water Company - Sufficiency

1. Please provide the amount of water sold and the amount of water pumped during last 12 months. (The 2002 summer peaks should be included.) Please note if fire hydrants or fire flow is provided. Interconnections with other private water systems or cites, and the capacity of those interconnections should be noted. This water use data should be specific to each of the eight water systems in this rate application. A suggested format for your response is attached.
2. Please provide an inventory of the major plant in service. The inventory should be specific to each of the eight water systems in this rate application. Major plant in service includes wells, storage tanks, booster pumps, pressure tanks, distribution mains, and meters. A suggested format for your response is attached.
3. Please provide a copy of the most recent DEQ Monitoring Assistance Program invoice for each of the participating water systems.

WATER USE DATA SHEET

NAME OF COMPANY _____➔	Arizona Water Co - Miami
ADEQ Public Water System No. _____➔	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————→	GPM	
Fire Hydrants on System———→	Yes No	
Total Water Pumped Last 12 Months (Gallons in Thousands) ——→		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

OTHER WATER RESOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS	
Horsepower	Quantity (how many)

STORAGE TANKS	
CAPACITY (gals)	Quantity (how many)

PRESSURE TANKS	
Capacity (gals)	Quantity (how many)

TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.): _____

**WATER COMPANY PLANT DESCRIPTION
(CONTINUED)**

MAINS		
Size	Material	Length (feet)
2"		
3"		
4"		
5"		
6"		
7"		
8"		
10"		
12"		

METERS	
Size	Quantity (how many)
5/8" X 3/4"	
3/4"	
1"	
1-1/2"	
2"	
Comp. 3"	
Turbo 3"	
Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.):

OTHER (laboratory equipment, tools, vehicles, power generators, etc.)

WATER USE DATA SHEET

NAME OF COMPANY _____	Arizona Water Co - Winkelman
ADEQ Public Water System No. _____	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————▶	GPM	
Fire Hydrants on System —————▶	Yes	No
Total Water Pumped Last 12 Months (Gallons in Thousands) ———▶		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

OTHER WATER RESOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS	
Horsepower	Quantity (how many)

STORAGE TANKS	
CAPACITY (gals)	Quantity (how many)

PRESSURE TANKS	
Capacity (gals)	Quantity (how many)

TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.): _____

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size	Material	Length (feet)
2"		
3"		
4"		
5"		
6"		
7"		
8"		
10"		
12"		

METERS	
Size	Quantity (how many)
5/8" X 3/4"	
3/4"	
1"	
1-1/2"	
2"	
Comp. 3"	
Turbo 3"	
Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.): _____

OTHER (laboratory equipment, tools, vehicles, power generators, etc.) _____

WATER USE DATA SHEET

NAME OF COMPANY	Arizona Water Co - Oracle
ADEQ Public Water System No.	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————→	GPM	
Fire Hydrants on System———→	Yes No	
Total Water Pumped Last 12 Months (Gallons in Thousands) ——→		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

OTHER WATER RESOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS	
Horsepower	Quantity (how many)

STORAGE TANKS	
CAPACITY (gals)	Quantity (how many)

PRESSURE TANKS	
Capacity (gals)	Quantity (how many)

TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.):

**WATER COMPANY PLANT DESCRIPTION
(CONTINUED)**

MAINS		
Size	Material	Length (feet)
2"		
3"		
4"		
5"		
6"		
7"		
8"		
10"		
12"		

METERS	
Size	Quantity (how many)
5/8" X 3/4"	
3/4"	
1"	
1-1/2"	
2"	
Comp. 3"	
Turbo 3"	
Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.):

OTHER (laboratory equipment, tools, vehicles, power generators, etc.)

WATER USE DATA SHEET

NAME OF COMPANY	Arizona Water Co - San Manuel
ADEQ Public Water System No.	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————→	GPM	
Fire Hydrants on System—————→	Yes	No
Total Water Pumped Last 12 Months (Gallons in Thousands) ———→		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

OTHER WATER RESOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS	
Horsepower	Quantity (how many)

STORAGE TANKS	
CAPACITY (gals)	Quantity (how many)

PRESSURE TANKS	
Capacity (gals)	Quantity (how many)

TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.): _____

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size	Material	Length (feet)
2"		
3"		
4"		
5"		
6"		
7"		
8"		
10"		
12"		

METERS	
Size	Quantity (how many)
5/8" X 3/4"	
3/4"	
1"	
1-1/2"	
2"	
Comp. 3"	
Turbo 3"	
Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.): _____

OTHER (laboratory equipment, tools, vehicles, power generators, etc.) _____

NAME OF COMPANY	Arizona Water Co - Sierra Vista
ADEQ Public Water System No.	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————→	GPM	
Fire Hydrants on System—————→	Yes	No
Total Water Pumped Last 12 Months (Gallons in Thousands) ———→		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

OTHER WATER RESOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS	
Horsepower	Quantity (how many)

STORAGE TANKS	
CAPACITY (gals)	Quantity (how many)

PRESSURE TANKS	
Capacity (gals)	Quantity (how many)

TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.):

WATER COMPANY PLANT DESCRIPTION
(CONTINUED)

MAINS		
Size	Material	Length (feet)
2"		
3"		
4"		
5"		
6"		
7"		
8"		
10"		
12"		

METERS	
Size	Quantity (how many)
5/8" X 3/4"	
3/4"	
1"	
1-1/2"	
2"	
Comp. 3"	
Turbo 3"	
Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.): _____

OTHER (laboratory equipment, tools, vehicles, power generators, etc.) _____

WATER USE DATA SHEET

NAME OF COMPANY _____	Arizona Water Co - Bisbee
ADEQ Public Water System No. _____	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————→	GPM	
Fire Hydrants on System —————→	Yes	No
Total Water Pumped Last 12 Months (Gallons in Thousands) —→		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

OTHER WATER RESOURCES		
Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (thousands)

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = _____

BOOSTER PUMPS	
Horsepower	Quantity (how many)

STORAGE TANKS	
CAPACITY (gals)	Quantity (how many)

PRESSURE TANKS	
Capacity (gals)	Quantity (how many)

TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.):

**WATER COMPANY PLANT DESCRIPTION
(CONTINUED)**

MAINS		
Size	Material	Length (feet)
2"		
3"		
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10"		
12"		

METERS	
Size	Quantity (how many)
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3/4"	
1"	
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Comp. 3"	
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Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.):

OTHER (laboratory equipment, tools, vehicles, power generators, etc.)

WATER USE DATA SHEET

NAME OF COMPANY	Arizona Water Co - Superior
ADEQ Public Water System No.	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————→		GPM
Fire Hydrants on System —————→		Yes No
Total Water Pumped Last 12 Months (Gallons in Thousands) ———→		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

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STORAGE TANKS	
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TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.): _____

**WATER COMPANY PLANT DESCRIPTION
(CONTINUED)**

MAINS		
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Comp. 4"	
Turbo 4"	
Comp. 6"	
Turbo 6"	
Comp. 8"	
Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.):

OTHER (laboratory equipment, tools, vehicles, power generators, etc.)

WATER USE DATA SHEET

NAME OF COMPANY	Arizona Water Co - Apache Junction
ADEQ Public Water System No.	

MONTH/YEAR (Last 12 Months)	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)
Other Water Sources in Gallons per Minute —————→	GPM	
Fire Hydrants on System—————→	Yes	No
Total Water Pumped Last 12 Months (Gallons in Thousands) ———→		

WATER COMPANY PLANT DESCRIPTION

WELLS					
ADWR ID No.	Pump Horsepower	Pump Yield (gpm)	Casing Size (Inches)	Casing Depth (feet)	Meter Size (inches)

OTHER WATER RESOURCES		
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Capacity (gals)	Quantity (how many)

TREATMENT EQUIPMENT (sedimentation, filtration, disinfectant, etc.):

**WATER COMPANY PLANT DESCRIPTION
(CONTINUED)**

MAINS		
Size	Material	Length (feet)
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Turbo 8"	

FIRE HYDRANTS	
Standard (quantity)	Other (quantity)

STRUCTURES (buildings, fences, etc.):

OTHER (laboratory equipment, tools, vehicles, power generators, etc.)
